Supreme Court of the United States

October Term A.D. 1909

No.

DAY BELT LIGHTING CO.

vs.

SANDEE MANUFACTURING CO.

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT

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IN THE

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM A.D., 1960.

No.

DAY-BRITE LIGHTING, INC.,

Petitioner,

vs.

SANDEE MANUFACTURING CO.,

Respondent.

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT.

To the Honorable the Chief Justice of the United States and the Associate Justices of the Supreme Court of the United States:

Petitioner, Day-Brite Lighting, Inc. prays that a writ of certiorari issue to review the judgment of the United States Court of Appeals for the Seventh Circuit, entered in the above entitled case on February 28, 1961. The transcript of the record of the case, including the proceedings in the Court of Appeals, is furnished forthwith in accordance with Rule 38 of the Rules of this Court.

REFERENCES TO THE OFFICIAL AND UNOFFICIAL REPORTS OF THE OPINIONS DELIVERED IN THE COURTS BELOW.

The opinion of Judge Albert B. Maris, sitting specially in the District Court for the Northern District of Illinois,

Eastern Division and ordering judgment for petitioner for unfair competition and design patent infringement (not yet officially reported) is reprinted in full as Appendix I. The opinion of the Court of Appeals for the Seventh Circuit in which it reversed the District Court is reported at 286 F.2d 596 and is reprinted in full as Appendix II. The decision of the District Court is unofficially reported at 126 USPQ 32.

STATEMENT OF JURISDICTION.

This Court's jurisdiction is founded under 28 USC Section 1254 (1).

This petition is presented within 90 days from February 28, 1961, which is the date of the Court of Appeals' decision denying rehearing of its original decision of December 12, 1960.

THE QUESTIONS PRESENTED FOR REVIEW.

1. Is it the policy of the law to restrict our free enterprise system by discouraging product identification, brand preference or manufacturer's identity through use of decorative and distinctive features and encourage "industry stagnation"[1] with its ultimate adverse affect by denying relief through:

(a) The application of such a high standard of design patentable invention that only two design pat-

[1] The term "industry stagnation" as used herein means that resultant inactivity or lack of progress in an industry, through lack of protection against copying, lack of incentives to spend time and money developing distinctive products, with resultant thorough standardization of products.

ents have been held valid in the Seventh Circuit in the last 70 years (and none since 1936)[2].

(b) The failure to find unfair competition even where the decorative panel acquired a secondary meaning and where the copier knew that the distinctive design was identified with the patentee-manufacturer and no one else?

2. Was the Court of Appeals' decision such a departure from the accepted and usual course of judicial proceedings as to warrant review when the Court held that there was no showing that petitioner's panels had a "secondary meaning" despite holding that "the public was likely to believe that defendant's panels were plaintiff's Cleartex panels and that the trade associates the appearance of Cleartex panels with plaintiff and its trademark Cleartex"?

3. Does the law of unfair competition as to design or trade dress require a showing of "secondary meaning", or "palming off", or "likelihood of confusion", or merely a pattern of business conduct that is morally unfair?

The judgment of the Court of Appeals herein is in direct conflict with the decisions of the Courts of Appeals in the Second and Eighth Circuits and in conflict with its own decisions. This question has not been passed on by this Court.

4. Was the decision of the Court of Appeals that plaintiff's design patent was invalid so inherently violative of the law, where:

(a) the design was new and original with a decorative appeal as stated by the Court of Appeals;

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[2] A full tabulation of the design patent cases reviewed by the Seventh Circuit since 1890 is set forth in *Amerock Corporation* v. *Aubrey Hardware*, 275 F.2d 346, 349 (1960).

(b) there was a complete lack of any testimony showing that the design as a whole would have been obvious to one skilled in the art under Title 35, Section 103 (USC);

(c) the Court of Appeals treated a prior art panel as *not* being before the Patent Office, when the same panel was before the Patent Office;

(d) the Court did not find one single Finding of Fact of Judge Maris' Findings of Fact erroneous, let alone "clearly erroneous";

as to call for judicial review?

STATEMENT OF THE CASE.

Petitioner filed suit in the United States District Court for the Northern District of Illinois, Eastern Division for unfair competition and design patent infringement under Title 28 USC 1338 (a) and (b), Title 28 USC 1400 (b), and Title 35 USC 281 and 289. In that Complaint petitioner sought an injunction and damages by reason of defendant's manufacture and sale of lighting fixture panels embodying the appearance of petitioner's panels.

Panels of this type are customarily placed at the bottom of a fluorescent lighting fixture and since such fixtures are mounted from a ceiling or oftentimes recessed within the ceiling of a room, the panel is the predominant part of the fixture seen by the occupant of the room.

Petitioner deliberately adopted a novel appearing panel so that the appearance of the panel alone would identify petitioner to the trade and to users of petitioner's fixtures. Petitioner was granted United States Patent No. Des. 181,238 on October 15, 1957 for the design or appear-

ance of its panel, under the inventors' names, Leo G. Stahlhut and Carl X. Meyer. Petitioner uses the trademark "Cleartex" in connection with the sale of its panels.

Defendant, who manufactures a variety of different styles of such panels, commenced manufacture and sale of panels alleged by petitioner to be copies, after quoting petitioner on the supply of "Cleartex" panels to petitioner and after defendant learned that petitioner was obtaining its supply of panels through another source.

After being notified of infringement, defendant subsequently adopted variant forms of the same panel.

Panels of the type here involved carry no identifying marks (as to source of manufacture) other than the design, styling, or appearance that is built into the panels.

After trial, Judge Albert B. Maris, sitting specially as the trial judge, held that petitioner's design was new, original, and for decorative appeal, held that the trade associated the appearance of petitioner's panels with petitioner, that the public was likely to believe that defendant's panels were petitioner's panels, and that defendant deliberately copied the appearance of petitioner's panels. He found defendant liable for unfair competition and for design patent infringement and ordered an injunction and accounting.

On appeal, the Court of Appeals reversed the District Court as to design patent infringement and held petitioner's design patent invalid. On rehearing, the Court of Appeals reversed as to unfair competition.

ARGUMENT.

I. THE PUBLIC INTEREST AND POLICY OF THE LAW SHOULD PROTECT DISTINCTIVE TRADE DRESS OR DESIGNS OF MANUFACTURERS.

The Court of Appeals has taken such a strict view of the law of styling, trade dress, or designs that its decision is tantamount to a decision that there simply is neither protection nor incentive for manufacturers to identify their products. Petitioner submits that this is contrary to the public interest and contrary to the spirit and policy of the law.[3]

The matter of unfair competition in copying such styling has never been reviewed by this Court.

The Court of Appeals found no error in the District Court's findings of fact that manufacturers create distinctive appearances in their goods to identify the product through appearance, that petitioner's *panel appearance was for decorative appeal* rather than function and *was new and original,* that the trade associates the appearance of those panels with petitioner, that the public was likely to believe that defendant's panels were petitioner's panels, that the defendant deliberately copied the appearance of petitioner's panels, that defendant's first panels

[3] The Court of Appeals for the Seventh Circuit has held only two design patents valid since 1890, the last being 25 years ago in *Standard Match Corporation* v. *Bell Machine*, 83 F.2d 365 (1936). A tabulation of design patent cases in the Seventh Circuit is found in *Amerock Corporation* v. *Aubrey Hardware*, 275 F.2d 346, 349 (1960). This same Court has not found unfair competition in the copying of non-functional features since *Luminous Unit* v. *R. Williamson & Co.*, 245 Fed. 988; 241 Fed. 265 (1917).

were almost identical copies of petitioner's panels and that defendant used the same catalog numbers for all three forms of its panels. In fact, the Court of Appeals failed to find error in any of the District Court's findings of fact.

The law of trade dress, industrial styling, or designs here involved does not deal with the rights of competitors to offer functionally equivalent or similar articles. It deals only with the right of a manufacturer to adopt a distinctive appearance for his goods and to have protection against copying of that appearance by his competitor. The appearance (trade dress, styling, or design) represents the reputation and good will of the manufacturer. It is closely akin to a trademark in this respect. Favoring such rights is one way in which "industry stagnation" is avoided because then, at least, manufacturers seek to sell quality and their reputation. Through this means they have an opportunity to increase sales and in fact stimulate healthy and vigorous competition.

In recent years manufacturers have taken an increased interest in trade dress or industrial styling. They want their reputation recognized by product appearance alone.

Trade dress, decorative features, or styling is protected under two separate branches of law; namely, unfair competition and design patents.

Despite the accepted facts, the Court of Appeals reversed the District Court, and held that defendant was entitled to continue copying, simply by stating a highly subjective view that the case did not involve "palming off" or in the alternative that plaintiff did not show a "secondary meaning". Just what circumstances would show unfair competition remains a mystery under their decision.

As discussed further in this argument, the Court of Appeals accepted the view that petitioner's panel appearance did in fact identify petitioner to the public, and that the public was likely to believe that defendant's panels were petitioner's, yet the Court still failed to find unfair competition.

This is such a strict view of the law that the clear inference is that there is no longer any such thing as a valid design patent or unfair competition from copying trade dress, styling, or design in the Seventh Circuit.

Courts should be considerate in their protection of such trade dress or styling since if it is otherwise, the unscrupulous are permitted to precisely copy the appearance of articles of his competitor and trade on the good will built up and enjoyed by the competitor. Without such protection the entire competitive atmosphere, which is so important a part of a country's economic growth, breaks down into what is here referred to as "industry stagnation". When a manufacturer knows that it is useless for him to spend money styling products so as to distinguish them and identify himself, he simply falls back into the crowd and proceeds without the imagination and drive that a dynamic economy needs.

In the complexities of business economics and competition today, it is vitally important to encourage those means of proper competition while discouraging means of improper competition. This Court can take judicial notice of the "industry stagnation" recently found in the electrical industry of this country. There a group of manufacturers playing a predominant part in the industry were offering substantially identical products and resorted to collusion among themselves as to a "split-up" of business among the several manufacturers involved. They simply became indifferent to the development of

new ideas and techniques for reducing costs, creating better products or being distinctive and chose the easy way out. They all agreed to supply the same equipment at prices to be agreed upon. This is a typical by-product of product standardization and an example of "industry stagnation".

This and all other Courts are keenly aware of the policy of strict construction of patents and the public interest in seeing that articles, machines, and commodities are not improperly monopolized. It is and has been in the public interest to see free competition in commerce among the several states. The same public interest which seeks to avoid improper monopolies, at the same time seeks to encourage the development of new things. Patents, being monopolies, have been given close scrutiny in keeping with this same public interest.

The subject matter under consideration here stands upon a different background of public policy. The subject matter is only those decorative features a manufacturer applies to his commodities to increase sales *without* regard to functional characteristics. His competitors normally offer the equivalent article under different styling or dress.[4] The public gets the same functional article from *any one of several manufacturers* but may prefer one because of appearance alone. This styling or dress can and does stimulate a purchaser simply because he likes the appearance—it can also stimulate him because he knows that the styling or appearance represents the particular source of manufacture and he knows the reputation of that source.

With this background of public interest, styling, unfair competition and design patents, a major question sought

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[4] The record of this case has some twenty or so competing panels of different design or styling.

to be reviewed is whether the same considerations of public policy which are applicable to monopolies on functional features should apply to this field of decorative features and design patents.

The view of the Seventh Circuit obviously is that not only must designs fall under the same strict scrutiny applicable to mechanical patents, but, because of this strictness of view, there probably is no protection for a design. Of particular interest in this matter of public policy as to designs one finds the oddity that a person may properly obtain a design patent monopoly for 3½, 7 or 14 years in his design, but under the law of unfair competition, a person under some circumstances is entitled to virtually a perpetual monopoly in the same styling or design. (The Seventh Circuit does recognize that a cause of action for unfair competition may exist by reason of copying such designs.)

Under design patent law the design or styling must be new, original, and unobvious. Under unfair competition law, however, the design need not be new, original, or unobvious. As characterized by some Courts of Appeals, the manufacturer is protected against another who by copying creates "likelihood of confusion". In the Seventh Circuit, it is stated that the manufacturer is protected if his styling identifies him as the source or has a "secondary meaning", or if his competitor copies and "palms off" his goods as the goods of the other.[3] In other Circuits, the law is founded on unethical business conduct. If the law of unfair competition allows a monopoly in trade dress, styling, or design without novelty, originality, or unobviousness, why should design patents

[3] The decision of the Court of Appeals states that unfair competition may exist if "secondary meaning" or "palming off" is shown. Appendix II.

be given the same strict construction given patents on functional features? The public, which buys on the basis of decorative appeal and the reputation which the appearance of an article means to them, is neither damaged nor deceived when the styling is different. If a rule of liberality is not followed, the public is indeed damaged. For example, in the situation presented here, the public will, if defendant is allowed to continue his copying, buy defendant's panels in the belief that petitioner's reputation is behind them, since as found by both lower courts, the trade associates the appearance of these panels with petitioner and is "likely to believe that defendant's panels were plaintiff's" (petitioner's).

This subject of styling, trade dress, or use of decorative features has never been directly reviewed by this Court although the Court has indirectly commented on the situation in *Kellogg Company* v. *National Biscuit Co.*, 305 U.S. 111 (1938). This is an important matter of Federal law which should be reviewed by this Court. Similarly the matter of public policy attending this particular field presents a matter of Federal law that has never been decided by this Court.

If this subject of distinctive trade dress, industrial styling, or designs is subject to the same rigorous standards of public policy that attend consideration of mechanical, electrical, or chemical patents which dominate functional features, then the doors open to piratical competition of the most vicious order which ultimately stifles free enterprise. The competitor is then free not only to offer the same functional article, but is also free to style or dress products identically and then trade on the reputation and good will of another. This misleads the public and can lead only to what is referred to here as "industry stagnation".

The foregoing sufficiently demonstrates the importance of this question of Federal law, and the clear need for guidance of this Court on this subject matter.

II. THE CONFLICT BETWEEN THE CIRCUITS.

The Court of Appeals in passing on the question of unfair competition (in connection with petitioner's request for rehearing), held that there could be no unfair competition in the copying of the design or styling of petitioner unless "the defendant represent its goods as those of the plaintiff, sometimes referred to as 'palming off' or that there be shown 'secondary meaning' as to source, that is, that the public has been deceived into the belief that defendant's design emanated from the same source as that of plaintiff".

This is in direct conflict with the law of the Second Circuit. For example, the Second Circuit, in the case of *American Safety Table Company* v. *Schreiber*, 269 F.2d 255 (1959), held the defendant liable for unfair competition simply on the likelihood of confusion that was created in the defendant's copying of the plaintiff's collar pressing machine. In so holding, the Second Circuit expressly rejected any requirement for secondary meaning and stated at page 270:

> "Despite this record of wiiful and cunningly contrived pirating the District Court found that no unfair competition had been established, because it found that the Amco machines had not acquired a secondary meaning. We have reached a different conclusion".

The Court further stated at page 276:

> "*Thus there is no need to be detained by questions concerning* the establishment of *a secondary meaning.* It is not necessary that the source be the primary motivation for purchase. . . ." (Emphasis added)

The Second Circuit predicates their holding of unfair competition in such situations as stated at page 276:

> "The net result is that the fraudulent scheme as a whole must be condemned. Because joined with improper and deceitful marketing methods the making of the Chinese copies becomes unlawful, in the absence of the taking of reasonable and proper steps by Schreiber & Goldberg to distinguish their machines from the Amcos."

This same case has a rather thorough review of many cases dealing with the subject of unfair competition through copying non-functional features.

The Court of Appeals for the Eighth Circuit follows a rule of requiring only "likelihood of confusion" when one copies the trade dress or styling of another. In *Neely et al* v. *Boland Manufacturing Company*, 274 F.2d 195 (1960); 124 USPQ 158 (C.A. 8) (1960), the Court expressly rejected any requirement of actual confusion and stated as follows at 203:

> "The test is whether there is likelihood of confusion or deception. *Kann* v. *Diamond Steel Co.*, 8 Cir., 89 F. 706, 707; *Ralston Purina Co.* v. *Saniwax Paper Co.*, D.C.W.D.Mich., 26 F.2d 941, 944; *My-T Fine Corporation* v. *Samuels*, 2 Cir., 69 F.2d 76, 77; *Cleo Syrup Corporation* v. *Coca-Cola Co.*, *supra*, at page 419 of 139 F.2d; *Dwight S. Williams Co., Inc.* v. *Lykens Hosiery Mills, Inc.*, 4 Cir., 233 F.2d 398, 401; *G. D. Searle & Co.* v. *Chas. Pfizer & Co., Inc.*, 7 Cir., 265 F.2d 385, 387-388. . . ."

Oddly enough, the Court of Appeals in the *Neely* case cited the Seventh Circuit case of *G. D. Searle & Co.* v. *Chas. Pfizer & Co., Inc.*, 265 F.2d 385 (1959), in support of the point that only "likelihood of confusion" is required.

The question of unfair competition in the use of the decorative features, trade dress, or styling of another has never been before this Court, although this Court has pronounced a very broad rule of unfair competition in the case of *International News Service* v. *Associated Press*, 248 U.S. 215 (1918); 39 U.S. Sup. Ct. Rep. 68, 71, in which this Court stated at 236:

> "Obviously, the question of what is unfair competition in business must be determined with particular reference to the character and circumstances of the business. The question here is not so much the rights of either party as against the public but their rights as between themselves. . . ."

The law of unfair competition as expressed by this Court is perhaps more sweeping and all embracing than any of the decisions of the several Courts of Appeals.

A contention has been made before this Court in *Kellogg Co.* v. *National Biscuit Co.*, 305 U.S. 111 (1938), that the form of an article should be protected, but there the Court noted that the shape of the cereal biscuit involved was functional and not subject to appropriation.

Thus the Court of Appeals for the Seventh Circuit is exceptionally strict in its application of the law of unfair competition. Their views are at variance with the Courts of other Circuits and wholly at variance with the recent trend of eliminating requirements for "palming off" or "secondary meaning" in unfair competition cases.[6]

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[6] By recent statute in Illinois (1955), the situs of the present action, the action for unfair competition is not restricted to "palming off" or "secondary meaning".

If unfair competition in this case is to be decided in accordance with the law of the State of Illinois wherein the defendant resides and where the action was brought, then only likelihood of injury or confusion is necessary

Indeed, the Court of Appeals for the Seventh Circuit is even in direct conflict with the law of the State of Illinois and in direct conflict with its own decisions. In its decision on petitioner's request for rehearing, the Court of Appeals cited the case of *Zangerle & Peterson Co.* v. *Venice Furn. Novelty Mfg. Co.*, 133 F.2d 266 (1943), and another of its decisions, *Sinko et al* v. *Snow-Craggs Corp.*, 105 F.2d 450 (1939), in support of its decision, *yet some ten years after both of these decisions* were handed down, the Court of Appeals for the Seventh Circuit stated the law of unfair competition as follows in *Independent Nail & Packing Co.* v. *Stronghold Screw Products*, 205 F.2d 921, 926 (1953), at 926:

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*(Continued)

under Sections 22 and 23 of the Illinois statutes (Chapter 140) applies. These Sections read as follows:

"22. Injunction against use of same or similar trade-mark, trade name, label, etc.] § 15. Every person, association, or union of workingmen adopting and using a mark, trade name, label or form of advertisement may proceed by suit, and all courts having jurisdiction thereof shall grant injunctions, to enjoin subsequent use by another of the same or any similar mark, trade name, label or form of advertisement *if there exists a likelihood of injury to business reputation* or of dilution of the distinctive quality of the mark, trade name, label, or form of advertisement of the prior user, *notwithstanding the absence of competition between the parties or of confusion as as to the source of goods or services;* except that the provisions of this section shall not deprive any party of any vested lawful rights acquired prior to the effective date of this Act. (Emphasis added)

[§ 16. Severability.]

[§ 17. Appropriation.]

[§ 18. Repeal].

[§ 19. This Act shall take effect January 1, 1956.

• • •

> "We think that the test under the Illinois law is whether the adoption and use of a name by defendant is *likely to cause confusion* in the trade as to the source of products, or is *likely to lead the public to believe that the defendant is in* some way connected with the plaintiff. Judge Campbell, in *Elastic Stop Nut Corp.* v. *Greer*, 62 F.Supp. 363, decided in 1945, and Judge Holly in *Metropolitan Opera Ass'n., Inc.* v. *Metropolitan Opera Ass'n. of Chicago, Inc.*, 81 F. Supp. 127, decided in 1948, agreed that in Illinois palming off is no longer necessary to sustain a cause of action for unfair competition." (Emphasis added)

in *Luminous Unit Co.* v. *R. Williamson & Co.*, 245 Fed. 988 (1917), the Court of Appeals affirmed the decision of the District Court (241 Fed. 265) finding unfair competition in the copying of non-functional features of lamps because of the doctrine of "likelihood of confusion".

It is perfectly incongruous for the Court of Appeals to completely overlook the doctrine of "likelihood of confu-

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(Continued)

> "23. Definitions.] §1. For the purposes of this Act, unless otherwise required by the context:
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> '*Trade-mark*' means *anything adopted and used* by a person *to identify* goods made, sold, produced or distributed by him or with his authorization and which distinguishes them from goods made, sold, produced or distributed by others. 'Person' means any individual, firm, partnership, corporation, association, union or other organization." (Emphasis added)

These Sections of the statutes have been interpreted, in harmony with *Independent Nail & Packing Co.* v. *Stronghold Screw Products*, 205 F.2d 921, 926 (1953), as to require only likelihood of confusion. *H M H Publishing Co.* v. *Playboy Records, Inc.*, 161 F. Supp. 540 (D.C. N.D. Ill.) (1958).

Other states have adopted similar statutes on the "likelihood of injury" theory without regard to "palming off" or "secondary meaning". Georgia Statutes Section 106-115; New York General Business Law, Book 19, Section 368-C(3); Massachusetts Annotated Laws, Chapter 110, Section 7A.

sion" which it expressly announced as Illinois law in 1953 and require some illusory showing of "palming off" or "secondary meaning" especially when the trend of decisions is to give more protection to the originator or owner of the right and States are adopting laws (usually called anti-dilution statutes) which eliminate the necessity for showing "palming off" or "secondary meaning" in order to prevail.

The Court of Appeals decision in this case is in direct conflict with decisions of the Second and Eighth Circuits and presents a question, namely the law of unfair competition as to non-functional features of designs, that has never been directly passed upon by this Court.

A review of this phase of the law is thought necessary to properly guide the various Circuit Courts of Appeals, eliminate the conflict between the Circuits, as well as to establish proper guides for conduct of competitors.

III. THE COURT OF APPEALS' DECISION AS TO "SECONDARY MEANING" IS FUNDAMENTAL ERROR.

The Court of Appeals agreed with the District Court as to certain facts which are in legal effect "secondary meaning". Yet the Court of Appeals, in holding that there was no unfair competition, stated that there was no showing of "secondary meaning".[1]

If substantiation of a cause of unfair competition requires a showing of "secondary meaning", then petitioner has met this requirement fully and completely and the

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[1] The Court of Appeals' view is that there can be no unfair competition as to non-functional features unless there is "secondary meaning" or "palming off".

Court of Appeals' decision as to the lack of unfair competition is fundamental and highly prejudicial error.

The phrase "secondary meaning" is aptly defined in *Schwartz* v. *Television Center, Inc.*, 189 F.2d 691 (C.A.D.C.) (1951) at 692:

> "As H. D. Nims says in his volume on unfair competition, 'Secondary meaning is association, nothing more. It exists only in the minds of those of the public who have seen or known or have heard of a brand of goods by some name or sign and have associated the two in their minds.' Nims, Unfair Competition, § 37 (3 ed. 1936)."

In their decision the Court expressly stated that the "public was likely to believe that defendant's panels were plaintiff's 'Cleartex' panels and that the 'trade' associates the appearance of 'Cleartex' panels with plaintiff and its trade mark 'Cleartex'".

These facts precisely fit the definition of the legal term "secondary meaning".

The failure to find secondary meaning, when the express facts recited by both the Appellate Court and the District Court show "secondary meaning", was highly prejudicial error.

A review of the case should be taken simply to correct this thorough miscarriage of justice, through this Court's power of supervision.

IV. THE COURT OF APPEALS' DECISION AS TO PETITIONER'S DESIGN PATENT IS FUNDAMENTAL ERROR.

In its reversal of the District Court, the Court of Appeals found no fault whatsoever with any of the District Court's findings of fact. The Court of Appeals

agreed that petitioner's design was new, original and had a decorative appeal.

Yet the Court of Appeals, treated the appellate proceedings as a "de novo" matter and found petitioner's design patent invalid.

The decision is believed thoroughly contrary to the applicable statutes and the Court of Appeals' own pronouncements on the subject of patent validity.[8]

The Court of Appeals made no specific finding on the obviousness or unobviousness of petitioner's design. In fact defendant presented no testimony in the District Court in support of its burden of showing that the design would have been obvious. Instead of going into the question of obviousness, the Court of Appeals simply rested on the proposition that, in its view, the Patent Office would not have allowed petitioner's patent if it had been aware of a so-called "Twin Lite" panel. By extension of this same train of thought, the Court of Appeals then decided that the statutory presumption of validity (Title 35 USC Section 282) did not apply, and held plaintiff's patent invalid for these reasons.

Yet this same "Twin Lite" panel which was relied upon by the Court of Appeals, was referred to by de-

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[8] Having found that petitioner's design was new and original, the only remaining consideration under the 1952 Patent Act, Title 35, Sections 102 and 103 was whether or not the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art, in accordance with Section 103. In fact the Court of Appeals, in *Armour* v. *Wilson*, 274, F.2d 143, 156 (1960) stated that after finding that an invention was new, inquiry was then to be directed to Section 103 to determine this question of obviousness.

fendant in the District Court as a "Twin Lens" panel and the "Twin Lens" panel was in fact cited by the Patent Office in their examination of petitioner's application for patent.

Subsequent to the Court of Appeals decision of December 12, 1960, petitioner ascertained from the manufacturer, (Corning Glass Works), of the so called "Twin Lens" and "Twin Lite" panels, that these panels had been essentially the same since 1946, but that the name had been changed along about 1952.

The Court of Appeals decision is thus predicated upon simply calling the same article by a different name and then assuming that a different factual situation is presented because of that different name.

The record clearly shows that defendant considered these panels one and the same regardless of whether they are called "Twin Lens" or "Twin Lite" or any other name.

The Court of Appeals' omission to consider Section 103 of Title 35 (USC) on the subject of obviousness, the lack of any testimony in the record as to the issue of obviousness, and the mistake in fact actually shown by the Court of Appeals' decision, so far departs from the normal and accepted standards of appellate review, and respect for applicable statutes, that the need for review is clear.

These matters are fundamental error and highly prejudicial to petitioner's rights. This is such a departure from the accepted and usual course of judicial proceedings as to call for an exercise of this Court's power of supervision.

CONCLUSION.

This Petition should be granted,

(a) to prevent "industry stagnation" by preventing persons from copying decorative and distinctive features which have become identified with one particular manufacturer,

(b) to establish that "secondary meaning" is an association of the appearance of a product with a particular manufacturer and nothing more,

(c) to resolve a conflict between circuits as to the rules of law applicable to unfair competition, and

(d) to correct the obvious and highly prejudicial error in this particular case.

Respectively submitted,

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APPENDIX I.

No. 58 C 937 Decided April 4, 1960.

DECISION, FINDINGS OF FACT AND CONCLUSIONS OF LAW.

(Delivered orally by Judge Albert B. Maris and incorporated in the transcript of proceedings.)

1). Plaintiff, Day-Brite Lighting, Inc., is a corporation organized and existing under the laws of the
430 State of Missouri, with its principal office at 5411 Bulwer Avenue, in the City of St. Louis.

2). Defendant is and at all times has been a corporation organized and existing under the laws of the State of Illinois, with its principal office now at 735 South Karlov Avenue, in the City of Chicago.

3). Plaintiff is in the business of manufacturing and selling lighting fixtures for commercial and industrial use. Plaintiff does not manufacture or sell panels, as such, for lighting fixtures, but purchases such panels from others solely for incorporation into its own lighting fixtures, which it manufactures and sells under its own name. The sales of plaintiff's such lighting fixtures are made through its manufacturers' representatives and selected distributors to electrical contractors and large industrial users, such lighting fixtures normally being specified by architectural engineers and being installed by the electrical contractors. Plaintiff advertises its lighting fixtures in trade journals and by direct mail to its own representatives, its distributors and their salesmen, to architects, engineers and certain large industrial users.

4). Defendant is in the business of manufacturing and selling extruded plastics, including panels for lighting
431 fixtures. Defendant does not manufacture or sell lighting fixtures, but defendant sells its panels to

lighting fixture manufacturers, who in turn incorporate such panels in their lighting fixtures and who in turn sell their lighting fixtures, under their respective names, through electrical distributors and electrical contractors.

Defendant sells its panels through its own salesmen direct to its lighting fixture manufacturer customers, and defendant's advertising is by direct mail to its lighting fixture manufacturer customers. Defendant has sold and now sells extruded plastic parts to plaintiff.

5). Following a development and design program in 1955, plaintiff arrived at the design of an extruded plastic panel for its lighting fixtures in about February, 1956, which it called its Cleartex panel. Said Cleartex panels are manufactured by and sold to plaintiff by KSH Plastics, Inc., for incorporation by plaintiff into its lighting fixtures. Plaintiff started selling its lighting fixtures with said Cleartex panels therein in about April, 1956. The Cleartex panel is in evidence as Plaintiff's Exhibit 20.

432 6). The design of Plaintiff's Cleartex panel is shown in United States Design Patent No. Des. 181,238, for a panel for lighting fixtures, which was issued on October 15, 1957, on an application filed in the United States Patent Office on June 7, 1956, in which Leo G. Stahlhut and Carl X. Meyer were named as the inventors, and which is owned by plaintiff.

A copy of said design patent is in evidence as Plaintiff's Exhibit 6, and a copy of the file wrapper of said design patent is in evidence as Defendant's Exhibit M.

7). The plaintiff is the owner of United States Trademark Registration No. 660,987 for the trademark "Cleartex," which was issued by the United States Patent Office on April 29, 1958, on an application filed June 6, 1957, plaintiff utilizing the "Cleartex" trademark in connection

with its extruded plastic panels shown in Design Patent No. 181,238, which it incorporates in its lighting fixtures sold by it.

8). Defendant has manufactured and sold at different times to its lighting fixture manufacturer customers, three types of extruded plastic panels under its trademark
433 "Horizon" which we shall call its First, Second, and Third Horizon panels, respectively, and has used the part number, No. 1412, for such panels of 10⅜" width, and the part number, No. 1412-A, for such panels of 10¾" width.

9). The defendant's president, Elmer Szantay, developed and designed defendant's First Horizon panel in early December, 1956. The First Horizon panel is in evidence as Plaintiff's Exhibit 21, and is shown in defendant's drawing No. PB 1440, dated March 25, 1957, which is in evidence as Defendant's Exhibit B.

10). Samples of the First Horizon panel were made by defendant in about January, 1957, and were shown by defendant to lighting fixture manufacturers to see what business could be obtained thereon.

Plaintiff thereupon wrote defendant a letter dated March 22, 1957, which was received by the defendant on March 26, 1957, complaining about defendant's said panel and mentioning that plaintiff had a patent application pending on its Cleartex panel.

Beginning about May 1, 1957, defendant started advertising its First Horizon panel and started commercially manufacturing and selling the same in June, 1957.

434 Defendant stopped manufacturing its First Horizon panel on October 15, 1957, before defendant knew of the issuance of Plaintiff's design Patent No. Des. 181,238,

and disposed of the last of its stock of said First Horizon panels in early January, 1958.

Plaintiff charged defendant with infringement of said design patent by letter dated October 31, 1957.

11). Defendant's president, Elmer Szantay, developed and designed defendant's Second Horizon panel during the end of December, 1957. The Second Horizon panel is in evidence as Plaintiff's Exhibit 22, and is shown in defendant's drawing No. PB 1412, dated March 1, 1958, which is in evidence as Defendant's Exhibit E.

Defendant started commercially manufacturing and selling its Second Horizon panel to its lighting fixture manufacturer customers in about March of 1958. Defendant started advertising its Second Horizon panel to its lighting fixture manufacturer customers in about March, 1958, including its 2-foot wide panel in July, 1958.

12). The design of defendant's Second Horizon panel is also shown in United States design Patent No. 435 Des. 183,331, for a lighting fixture panel, which was issued on August 5, 1958, on an application filed in United States Patent Office on February 4, 1958, in which Elmer Szantay was named as the inventor, and which is owned by defendant.

A copy of said design patent is in evidence as Defendant's Exhibit H, and a copy of the file wrapper thereof is in evidence as Defendant's Exhibit R.

13). Plaintiff filed its original complaint against defendant in the instant suit on about May 26, 1958, charging that defendant's said First and Second Horizon panels constituted an infringement upon plaintiff's said design Patent No. Des. 181,238, in suit, and charging that defendant had unfairly competed with plaintiff.

Defendant stopped manufacturing its Second Horizon panel in September, 1958.

14). Defendant's president, Elmer Szantay, developed and designed defendant's Third Horizon panel in the early part of December, 1958. The Third Horizon panel is in evidence as Plaintiff's Exhibit 23, and is shown in defendant's drawing No. PB 1412, dated March 1, 1958, but changed on March 1, 1959, in accordance with Re-
436 vision B thereon, which is in evidence as Defendant's Exhibit I.

Defendant started manufacturing and selling its Third Horizon panel early in 1959, and this is the panel which is being currently manufactured and sold by defendant to its lighting fixture manufacturer customers. Defendant has not distributed any advertising on this Third Horizon panel.

15). The design of defendant's Third Horizon panel is also shown in United States design Patent No. Des. 186,399 for a lighting fixture panel, which issued on October 20, 1959, on an application filed in the United States Patent Office on March 18, 1959, in which Elmer Szantay was named as the inventor, and which is owned by defendant. A copy of said design patent is in evidence as Defendant's Exhibit J, and a copy of the file wrapper thereof is in evidence as Defendant's E hibit S.

16). Plaintiff filed its supplemental complaint against defendant in the instant suit on about November 3, 1959, charging that defendant's said Third Horizon panel constituted an infringement upon plaintiff's design Patent No. Des. 181,238 in suit, and charging that defendant was unfairly competing with plaintiff.

437 17). Defendant asserts that plaintiff's design Patent No. Des. 181,238 in suit is invalid, so that there

can be no infringement thereof. Defendant admits that sales of the First Horizon panel after issuance of the design patent in suit, would be an infringement of said design patent, if valid, but denies that the manufacture or sale of defendant's Second and Third Horizon panels would be infringements of said design patent. Defendant denies that it has unfairly competed with the plaintiff.

18). Plaintiff, as in the case with other fluorescent lighting fixture manufacturers, offers a wide variety of different appearing light diffusing panels, or lenses, with its fluorescent light fixtures.

19). By creating distinctive appearances for light diffusing panels or lenses it is possible for a manufacturer to identify its product by the appearance, have architects specify such panels and increase its sales.

20). Light fixtures of the type sold by the plaintiff and its competitors are often times specified and purchased because of the unique design or appearance of the lenses or panels of the fixtures.

21). Leo G. Stahlhut and Carl X. Meyer, as a part of the design and styling policy established by plaintiff, started work in 1954 and continued through 1955, in an effort to create fixture lenses with a new and distinct appearance. Stahlhut and Meyer tried various different designs of panels and eventually evolved the design of the panel disclosed in plaintiff's Design Patent No. Design 181,238.

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22). Plaintiff in its advertising of fixtures and panels offers a choice of at least seven different panels with its fluorescent light fixtures and commercial success by plaintiff's "Cleartex" panel has been accomplished with the customary advertising and promotional activity and not by any special advertising and promotional effort.

23). Within three years after its introduction, plaintiff's "Cleartex" panels of the type shown in plaintiff's Patent No. Design 181,238, were outselling all of the other panels offered by plaintiff.

24). These "Cleartex" panels of plaintiff from 1956 to 1959 outsold and gradually displaced the "Skytex" panel, which was a major seller prior to the "Cleartex" panel, and was and is comparably priced to plaintiff's "Cleartex" panel.

25). The Cleartex panel of the plaintiff's patent 439 No. Design 181,238 has had marked commercial acceptance and success.

26). The design of the plaintiff's patent No. Design 181,238, for a panel for a lighting fixture as embodied in its Cleartex panel was new, was original with its inventors, Stahlhut and Meyer, and is ornamental.

27). The design of the plaintiff's patent No. Design 181,238, is primarily for decorative appeal, rather than for functional lighting control.

28). The defendant's First Horizon panels are almost identical copies of the Cleartex panels sold by plaintiff and disclosed in plaintiff's Patent No. Design, 181,238.

29). The second type of Horizon panel manufactured and sold by defendant has longitudinal ribs spaced slightly wider than the longitudinal ribs in plaintiff's Patent No. Design 181,238, but the overall appearance of defendant's Second Horizon panel and the Cleartex panel shown in plaintiff's patent No. Design 181,238, are substantially the same.

30). The third type of Horizon panel manufactured and offered for sale by defendant includes notches or grooves on the longitudinal ribs in the central portion of

the panel, which notches are intended to and do in
440 fact create the same appearance as transverse lines.

31). The appearance of defendant's third type of Horizon panel is substantially the same as disclosed in plaintiff's Patent No. Design 181,238.

32). The difference in defendant's second and third types of Horizon panels is discernible when compared side by side with the Cleartex panels of Plaintiff's Patent No. Design 181,238, but the overall effect on the eye of the ordinary observer is the same.

33). Users of fluorescent lighting fixtures upon seeing any one of the three forms of defendant's Horizon panels are likely to believe that they are plaintiff's Cleartex panels.

34). The trade associates the appearance of Cleartex panels with plaintiff and its trademark "Cleartex."

35). Each of defendant's patents is dominated by the Design Patent in suit. Furthermore, defendant's Design Patent No. 186,399, does not accurately show defendant's Third Horizon panel.

These are my formal findings of fact. Before stating my conclusions of law in formal manner, I will inter-
441 polate some little discussion of the case.

The basic question, of course, is whether this patent is valid. In order to be patentable, the statute requires a design for an article of manufacture such as is embodied here, to be new, original, and ornamental.

My findings established that the Cleartex design is new, original, and ornamental. But it must also involve invention, something unobvious to the ordinary designer or draftsman, an example of creative originality and artistry. Amerock Corp. v. Aubrey Hardware Mfg. Inc., decided by

the Court of Appeals for the Seventh Circuit, March 3, 1960.

With respect to the element of invention, I have considered the prior art shown in evidence in detail. It would unduly extend this discussion to recite it here. It is sufficient to say that on the basis of that evidence the question of patentable invention is a close one here.

In such a case the statutory presumption of validity and especially marked commercial success, such as I have found here, may be sufficient to resolve the question. 442 Spaulding vs. Guardian Light Company. Seventh Circuit, 1959, 267 Fed. 2d, 111.

I hold that they are sufficient to resolve the question here, and I conclude that the element of invention was present and that the patent is valid.

I turn, then, to the question of infringement. It is settled that mere differences of lines or slight variations in configuration will not avoid infringement if the general appearance to ordinary observers, buyers, and sellers, is substantially the same. Gorham v. White, 1882, 81 U.S. 731.

The question, therefore, is whether a prospective customer would be confused by the substantial similarity which I have found to exist between the plaintiff's and defendant's panels. Standard Match Corporation vs. Bell Machine Co., Seventh Circuit, 1936, 83 Fed. 2d, 365.

My findings establish that such confusion with plaintiff's Cleartex panel results in the case of all three types of defendant's Horizon panels.

I conclude, therefore, that all three types of the defendant's panels infringe the plaintiff's panel.

I am satisfied, moreover, that the defendant deliberately copied the plaintiff's panels with such variations, in-
443 creasing variation in the case of the Second and Third type of its Horizon panel, as defendant believed would avoid infringement.

I have held that in this it was unsuccessful. It did not escape infringement by that method.

I have also found that confusion of product by the purchasing public has and likely will result. I conclude that a case of unfair competition has been made out.

I, accordingly, reach the following conclusions of law:

1). This Court has jurisdiction over the parties to this action and the subject matter thereof;

2). Plaintiff's Patent No. Design 181,238, involves patentable invention and is valid;

3). Plaintiff's Patent No. Design 181,238, was infringed by the defendant's First Horizon panel;

4). Plaintiff's Patent No. Design 181,238, was infringed by the defendant's Second Horizon panel;

5). Plaintiff's Patent No. Design 181,238, was infringed by the defendant's Third Horizon panel;

6). Defendant was guilty of unfair competition in the manufacture and sale of its first form of Horizon panel;

7). Defendant was guilty of unfair competition
444 in the manufacture and sale of its second form of Horizon panel;

8). Defendant is guilty of unfair competition in the manufacture and sale of the third form of Horizon panel.

9). The fact that defendant is the owner of two design patents for its panels does not negative infringement of plaintiff's Patent No. Design 181,238, since, as I have found, this patent dominates the defendant's two design patents.

10). Plaintiff is entitled to an injunction enjoining the defendant from the manufacturing and sale of its three forms of panels, and is entitled to damages by reason of defendant's infringement and unfair competition.

11). Plaintiff is entitled to costs, but is not entitled to attorneys' fees.

Plaintiff may prepare and submit to the Court a form of interlocutory judgment in accordance with my findings.

I will ask the reporter to transcribe my findings and conclusions as promptly as may be, and they will be filed of record.

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APPENDIX II.

IN THE
UNITED STATES COURT OF APPEALS
FOR THE SEVENTH CIRCUIT

SEPTEMBER TERM AND SESSION, 1960

No. 13028
DAY-BRITE LIGHTING, INC.,
Plaintiff-Appellee,
v.
SANDEE MANUFACTURING CO.,
Defendant-Appellant.

Appeal from the United States District Court for the Northern District of Illinois, Eastern Division.

December 12, 1960

Before SCHNACKENBERG, KNOCH and MAJOR, *Circuit Judges.*

MAJOR, *Circuit Judge.* This is an action for infringement of United States Patent No. Design 181,238, for a panel of lighting fixtures, which was issued October 15, 1957, on an application filed with the United States Patent Office on June 7, 1956, in which Leo G. Stalhut and Carl X. Meyer are named as inventors and of which plaintiff is now the owner. Plaintiff also charges unfair competition.

Plaintiff is in the business of manufacturing and selling lighting fixtures for commercial and industrial use. It does not manufacture or sell panels as such but purchases them for incorporation into its lighting fixtures, which it manufactures and sells under its own name. The sales of plaintiff's fixtures are made through its representatives and selected distributors to electrical contractors and large industrial users, such fixtures normally being specified by

architectural engineers, installations being made by electrical contractors. It advertises its fixtures in trade juornals and by direct mail to its own representatives, its distributors and their salesmen, to architects, engineers and certain large industrial users.

Plaintiff's panel is called "Cleartex" and was sold to it by KSH Plastics, Inc., for incorporation by plaintiff in its lighting fixtures. Plaintiff commenced the sale of its fixtures with said "Cleartex" panels therein about April 1956. Plaintiff is the owner of United States Trademark Registration No. 660,987 for the trademark "Cleartex," which was issued April 29, 1958, and which trademark plaintiff utilizes in connection with its extruded plastic panels shown in the design of the patent in suit.

Defendant is in the business of manufacturing and selling extruded plastics, including panels for lighting fixtures. Defendant does not manufacture or sell lighting fixtures but sells its panels to manufacturers who in turn incorporate such panels in their lighting fixtures and sell them, under their respective names, through electrical distributors and electrical contractors. Defendant sells its panels through its own salesmen direct to its lighting fixture manufacturer customers, and defendant's advertising is by direct mail to such customers.

Defendant's panels alleged to infringe were manufactured and sold under its trade name, "Horizon," with three designs referred to as "First Horizon," "Second Horizon" and "Third Horizon." Defendant contends that the patent is invalid in view of the prior art and for lack of invention, and denies infringement as well as the charge of unfair competition.

The District Court entered its findings of fact, from which it concluded that the patent was valid, that it was infringed by each of defendant's "Horizon" panels and that defendant was guilty of unfair competition. The Court in its findings did not describe the prior art relied upon by defendant. However, in the interim between the entry of its findings and conclusions, referring to such art the Court stated, "It is sufficient to say that on the basis of that evidence the question of patentable invention

is a close one here," but "the statutory presumption of validity and especially marked commercial success, such as I have found * * are sufficient to resolve the question here, and I conclude that the element of invention was present and that the patent is valid."

Defendant contends that the Court erred in utilizing these two generally recognized principles in sustaining validity. It argues that the presumption of validity does not apply because pertinent prior art was not considered by the Patent Office and that as against such art the presumption does not exist. This Court has frequently so held. *Senco Products, Inc.* v. *Fastener Corp.*, 269 F.2d 33, 34; *Hobbs* v. *Wisconsin Power & Light Co.*, 250 F.2d 100, 105; *Johnson Laboratories, Inc.* v. *Meissner Mfg. Co.*, 98 F.2d 937, 943, and *Boynton* v. *Chicago Hardware Foundry Co.*, 77 F.2d 799, 780.

Plaintiff does not dispute this exception to the presumption of validity rule that argues that it is applicable only where there is a showing that the prior art is more pertinent than that cited and ruled upon by the Patent Office, and that defendant made no such showing. None of the cited cases attach such a condition to the exception rule.

Defendant does not dispute the commercial success rule (that is, increased sales) but argues that it is applicable only where such success is attributable to the patent in suit as distinguished from other factors, and that in any event it cannot be utilized to resolve in favor of validity a doubtful or close question of invention.

The Court fund that plaintiff in its advertising matter offered a choice of at least seven different panels, that within three years after its introduction the "Clearlay" panel was outselling all other panels offered by plaintiff and that it "has had marked commercial acceptance and success." The Court made no specific finding that such commercial success was due to the design of the patent rather than to other factors; in fact, it is doubtful if the evidence would support such a finding. There is testimony, apparently undisputed, that there were numerous

factors other than the alleged uniqueness and distinctiveness of plaintiff's design which contributed to the increased sales of its "Cleartex" panels. Among such factors were plaintiff's advertising and sales promotion campaign, sale of lighting fixtures with its "Cleartex" panel at a lesser price than fixtures with other panels and an increased interest in plastic planels as distinguished from those of glass. It was also shown that the utilitarian and functional characteristic of plaintiff's lighting fixtures was a factor in the increased sales.

The trial judge, in relying upon marked commercial success, cited *Spaulding* v. *Guardian Light Co., Inc.* (7th Cir.), 267 F.2d 111. It is true this Court in that case stated (page 113), "We have held, and it is the general rule, that in a close case commercial success may tip the scales in determining whether an improvement amounts to an invention." At the same time, we approved of a finding of the District Court that plaintiff had failed to show that his asserted commercial success "was due to the design disclosed in the patent in suit as distinguished from the utility of the fixture, the sales efforts of plaintiff and other factors." In the more recent case of *Amerock Corp. v. Aubrey Hardware Mfg., Inc.*, 275 F.2d 346, 348, this Court rejected the alleged commercial success in support of the validity of a design patent. In doing so, we stated, "The design in question proved to be its best seller and sold almost ten to one over a companion pull with a straight handle. How much these sales were induced by promotion, advertising or functional value we do not know."

In our view, the asserted commercial success under the showing before us carries no weight in support of the validity of plaintiff's patent.

The prior art chiefly relied upon by defendant are "Unilite" and "Twinlite" lens panels of Corning Glass Works, Rolph patent No. 2,280,160, and McPhail patent No. 2,474,317, each of which discloses designs for panels on fluorescent lighting fixtures. An attempt to analyze such art in detail would unduly prolong this opinion and

perhaps serve no useful purpose. Particularly is this so in view of the file wrapper history of the patent in suit.

The sole prior art cited and considered by the Patent Office was "Sweets File, Architectural, 1946, Section 30 a/4. Second page of Corning Glass Works Adv. Twin lens and Waffle lens light control panels." The panels shown in the cited reference, referred to as "Unilens" and "Twinlens" panels, were manufactured and sold by Corning Glass Works. Other panels, manufactured and sold by the same company prior to the date of the alleged invention in suit, were the Corning "Unilite" and "Twinlite." These panels were not cited or considered by the Patent Office but are here relied upon heavily by defendant as pertinent prior art which invalidate the patent in suit.

The patentees in their application filed specifications which stated that the invention consisted of "a new, original and ornamental design for a Panel for Lighting Fixtures or the like," which was accompanied by four drawings represented by figures 1, 2, 3 and 4, with the representation that the design was substantially as shown in such figures. The Patent Office, under date of January 7, 1957, rejected the application "for lack of design novelty" and because no patentable ornamental difference was seen between the design in suit and that of the cited reference ("Twinlens"). Thereupon, applicants requested a reconsideration and made numerous representations to the Patent Office in an effort to distinguish their design from that of the cited art. Among other things they stressed the point that the rear surface of the panel of the cited reference was "stippled or fine lined," while the central portion of the rear surface of applicant's panel was provided with "spaced transverse ribs." After further interviews with the Examiner, Fig. 5 was added to the drawings of the application for the express purpose of showing the "spaced transverse ribs" on the rear surface of applicant's panel. With that addition, the patent in suit was granted. Thus, an important and perhaps controlling factor in the issuance of the patent was the addition of Fig. 5, so as to show the "spaced transverse ribs" on the rear surface of the panel in order to distinguish it from the cited reference.

Corning's "Unilite" and "Twinlite" panels of the prior art, relied upon by defendant and not cited or considered by the Patent Office, disclose "spaced transverse ribs" on the rear surface. As shown, it was the failure to show this feature which caused the Patent Office to reject the patentee's original claim, and it was only after its addition in the form of Fig. 5 that the patent issued. If the "Twinlite" panel with its "spaced transverse ribs" had been cited and considered by the Patent Office, it appears highly improbable that the patent would have issued.

We have difficulty in distinguishing from an ornamental standpoint between a panel "stippled or fine lined" and one with "spaced transverse ribs" on the rear side. However, the Patent Office, acquiesced in by the applicants, recognized the distinction and made it a controlling factor in the allowance of the application. In any event, if the design as originally disclosed did not constitute patentable invention over the cited art, as the Patent Office stated, we think there was still no invention after the addition of Fig 5, which disclosed a feature of non-cited prior art.

Even though plaintiff's design was new and original with a decorative appeal, as found by the District Court, it did not, in our judgment, rise to the level of invention in view or the file wrapper history and prior art, not cited and considered by the Patent Office. As this Court stated in *Amerock Corp.* v. *Aubrey Hardware Mfg., Inc.*, 275 F.2d. 346, 348. "* * in order to be valid, [a design patent] must disclose a design that is new, original and ornamental, unanticipated and inventive in character, and beyond the skill of the ordinary designer or draftsman."

Furthermore, if we assume, as the District Court thought, that "the question of patentable invention is a close one," we think for the reasons heretofore stated that the Court erred in sustaining the patent on the statutory presumption of validity and commercial success. We hold that the patent in suit is invalid.

The order appealed from is, therefore, reversed and the cause remanded, with directions to proceed in accordance with this holding.

IN THE
UNITED STATES COURT OF APPEALS
FOR THE SEVENTH CIRCUIT

SEPTEMBER TERM, 1960, JANUARY SESSION, 1961

No. 13028
DAY-BRITE LIGHTING, INC.,
Plaintiff-Appellee,
v.
SANDEE MANUFACTURING CO.,
Defendant-Appellant.

Appeal from the United States District Court for the Northern District of Illinois, Eastern Division.

February 28, 1961

ON PETITION FOR REHEARING.

Before SCHNACKENBERG, KNOCH and MAJOR, *Circuit Judges.*

MAJOR, *Circuit Judge.* There is before us what plaintiff characterizes as a petition for clarification, for rehearing and for modification of our decision in the above entitled case, entered December 12, 1960.

Plaintiff in its argument for a rehearing on the issue of validity and infringement does little more than reiterate the argument originally submitted. We adhere to our previous holding.

Plaintiff contends for clarification and modification on the premise that we did not dispose of the issue of unfair competition. Plaintiff states, therefore, that it presumes that we intended to affirm the District Court on that issue. There may be some basis for plaintiff's presumption, although we did not intend such a result.

We realize, of course, that a case of unfair competition may be made, separate and apart from that of infringement. In this case, however, we think the two issues were so closely allied that the former could not prevail in the absence of the latter and that holding the patent invalid and not infringed also disposed of the action for unfair competition adversely to plaintiff.

In any event, it has been held that the mere copying of the design of an invalid patent does not constitute unfair competition. This Court, in *Zangerle & Peterson Co.* v. *Venice Furniture Novelty Mfg. Co.*, 133 F.2d 256, 269, stated:

> "The defendant frankly admits it copied the plaintiff's table. If the plaintiff never had a patent, then the mere act of copying did not amount to unfair competition."

To the same effect is another decision by this Court, *Sinko et al.* v. *Snow-Craggs Corp.*, 105 F.2d 450. See also *General Time Instruments Corp.* v. *United States Time Corp.*, 165 F.2d 853, 854.

The cited cases, after holding that the mere copying of a non-patented design is not sufficient, discuss and point out what the plaintiff must clearly prove in addition thereto in order to make a case of unfair competition. The principal elements are that the defendant represent its goods as those of the plaintiff, sometimes referred to as "palming off," or that there be shown a "secondary meaning" as to source, that is, that the public has been deceived into the belief that defendant's design emanated from the same source as that of the plaintiff. In our judgment, plaintiff failed to make such proof. It is true that Court found that the public was likely to believe that defendant's panels were plaintiff's Cleartex panels and that the trade associates the appearance of Cleartex panels with plaintiff and its trademark "Cleartex." Such findings, however, do not support the essential elements of "palming off" or "secondary meaning." The fact, if such it be, that there was confusion in the

minds of the public because of the similarity between plaintiff's and defendant's product bears upon the infringement issue if the patent had been held valid. It is immaterial, however, to the issue of unfair competition because, as we have shown, the mere copying of a non-patented article or design, absent the other essential elements, does not constitute unfair competition.

We delete the last paragraph of our opinion and substatute therefor the following: "The order appealed from is reversed *in toto* and the cause remanded, with directions to dismiss the complaint."

APPENDIX III.

STATUTES RELIED UPON.

Title 28 U. S. C.

§ 1254. Courts of appeals; certiorari; appeal; certified questions

Cases in the courts of appeals may be reviewed by the Supreme Court by the following methods:

(1) By writ of certiorari granted upon the petition of any party to any civil or criminal case, before or after rendition of judgment or decree.

§ 1338. Patents, copyrights, trade-marks, and unfair competition.

(a) The district courts shall have original jurisdiction of any civil action arising under any Act of Congress relating to patents, copyrights and trade-marks. Such jurisdiction shall be exclusive of the courts of the states in patent and copyright cases.

(b) The district courts shall have original jurisdiction of any civil action asserting a claim of unfair competition when joined with a substantial and related claim under the copyright, patent or trade-mark laws.

§ 1400. Patents and copyrights

(b) Any civil action for patent infringement may be brought in the judicial district where the defendant resides, or where the defendant has committed acts of infringement and has a regular and established place of business.

Title 35 U. S. C.

§ 102. Conditions for patentability; novelty and loss of right to patent

A person shall be entitled to a patent unless—

(a) the invention was known or used by others in this country, or patented or described in a printed

publication in this or a foreign country, before the invention thereof by the applicant for patent, or

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of the application for patent in the United States, or

(c) he has abandoned the invention, or

(d) the invention was first patented or caused to be patented by the applicant or his legal representatives or assigns in a foreign country prior to the date of the application for patent in this country on an application filed more than twelve months before the filing of the application in the United States, or

(e) the invention was described in a patent granted on an application for patent by another filed in the United States before the invention thereof by the applicant for patent, or

(f) he did not himself invent the subject matter sought to be patented, or

(g) before the applicant's invention thereof the invention was made in this country by another who had not abandoned, suppressed, or concealed it. In determining priority of invention there shall be considered not only the respective dates of conception and reduction to practice of the invention, but also the reasonable diligence of one who was first to conceive and last to reduce to practice, from a time prior to conception by the other.

§ 103. Conditions for patentability: non-obvious subject matter

A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the

art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

§ 281. Remedy for infringement of patent

A patentee shall have remedy by civil action for infringement of his patent.

§ 282. Presumption of validity; defenses

A patent shall be presumed valid. The burden of establishing invalidity of a patent shall rest on a party asserting it.

The following shall be defenses in any action involving the validity or infringement of a patent and shall be pleaded:

(1) Noninfringement, absence of liability for infringement or unenforceability,

(2) Invalidity of the patent or any claim in suit on any ground specified in part II of this title as a condition for patentability.

(3) Invalidity of the patent or any claim in suit for failure to comply with any requirement of sections 112 or 251 of this title,

(4) Any other fact or act made a defense by this title.

In actions involving the validity or infringement of a patent the party asserting invalidity or noninfringement shall give notice in the pleadings or otherwise in writing to the adverse party at least thirty days before the trial, of the country, number, date, and name of the patentee of any patent, the title, date, and page numbers of any publication to be relied upon as anticipation of the patent in suit or, except in actions in the United States Court of Claims, as showing the state of the art, and the name and address of any person who may be relied upon as the prior inventor or as having prior knowledge of or as having previously used or offered for sale

the invention of the patent in suit. In the absence of such notice proof of the said matters may not be made at the trial except on such terms as the court requires.

§ 289. Additional remedy for infringement of design patent

Whoever during the term of a patent for a design, without license of the owner, (1) applies the patented design, or any colorable imitation thereof, to any article of manufacture for the purpose of sale, or (2) sells or exposes for sale any article of manufacture to which such design or colorable imitation has been applied shall be liable to the owner to the extent of his total profit, but not less than $250, recoverable in any United States district court having jurisdiction of the parties.

Nothing in this section shall prevent, lessen, or impeach any other remedy which an owner of an infringed patent has under the provisions of this title, but he shall not twice recover the profit made from the infringement.